CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, January 11, 2018

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted in the Council Chambers of City Hall, 220 N. Hastings Avenue, on January 11, 2018.

**ROLL CALL:**

The meeting was called to order at 9:00 a.m. in Regular Session by Acting Chairman Bill Hitesman with the following members present: Bill Hitesman, Willis Hunt, Shawn Hartmann. Absent: Joanne Seberg, Jack Schreiner.

**PLEDGE OF ALLEGIANCE:**

The Acting Chairman led the group in recital of the Pledge of Allegiance to the United States of America.

**MOTION TO ADOPT CURRENT AGENDA FOR JANUARY 11, 2018 REGULAR MEETING.**

Moved by Willis Hunt seconded by Shawn Hartmann to adopt the current agenda for January 11, 2018 regular meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

**PUBLIC NOTICE** - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, January 9, 2018.

Acting Chairman Bill Hitesman read the Public Notice - Pursuant to Nebraska Revised Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible written material which will be discussed at today's meeting is located at the back of the Council Chambers. Also, a current copy of the Nebraska Open Meetings Act is posted on the south wall of the Council Chambers which is accessible to members of the public.

**MANAGER'S COMMUNICATIONS:**

Manager Kevin Johnson wished the Board a Happy New Year. He stated that with him today are the subject matter experts to answer any questions the Board may have.

Johnson informed the Board that some utility employees are doing ride alongs and training on snow removal with the street department today.

**BOARD CHAIRMAN'S COMMUNICATIONS:**

None.

**BOARD MEMBERS' COMMUNICATIONS:**

None.

**CITIZEN COMMUNICATIONS:**

None.

**CONSENT AGENDA:**

1. All Consent Items.

Moved by Shawn Hartmann seconded by Willis Hunt to approve all Consent Items. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

(a) Approval of the minutes of the Hastings Utility Board Meeting of December 14, 2017

**REGULAR AGENDA:**

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

(a) Finance

i. Finance Director Hiring Status - Information Only

Manager Kevin Johnson updated the Board on the status of hiring a Finance Director. The hiring committee went through interviews and an offer has been extended. A closed session would be required for further information. Board member Hunt said that he would like further information in an executive session. Acting Chairman Hitesman said that this conversation will be combined in an executive session at the end of this meeting.

ii. Monthly Financial Statement Preparation Update - Information Only

Kevin Johnson gave an update on the Monthly Financial Statement Preparation. He presented a slide showing comparisons from Grand Island, Fremont, Nebraska City, Heartland, and MEAN on the timeframes that the information is available to prepare the financial statements. Those showed 30 days - 60 days. Using that expectation, subject to what the new Finance Director has to say, our accounting group has moved from four months behind to two months behind if we consider 30 days as the expectation going forward. Johnson said that the accountants have just finished the fiscal year 2016-2017 with September's monthly report. It will be presented at the next meeting. By the end of January, the accountants anticipate having the October monthly report completed. He said that he does not, however, see an advantage moving the utility board meetings to later in the month as far as financial reporting goes because of the 30+ day lag of information availability.

Hunt questioned if the systems are so antiquated that this poses the problem. Johnson said that he believes there are challenges with the system but also challenges with the processes. He feels that with the new Director coming in and some information from the auditors on process review will be a big help. The auditors are here today working on the utilities' audit.

Joe Patterson said that the new software being looked at now and the processes should improve efficiency. When asked, he said you cannot compare the general city accounting with utilities' accounting. The utilities' accounting is more complex than the city's accounting. He said that bringing in a Finance Director that is familiar with both accounting methods will be very helpful.

iii. Budget Preparation Schedule DRAFT - Information Only

Johnson discussed a draft budget preparation schedule. He said that he would like to have six months of actual numbers with six months of forecast numbers before we get into the budget season. He presented a slide which shows March 31st - 2nd quarter ends; April - May - staff and accounting draft; June - July - budget workshops - utility board; August - City Council workshop(s); and September 1st - budget approval.

iv. HEDC Agreement Status - Information Only

Johnson said that the HEDC Agreement Status is on the agenda to let the Board know that we are going to have further conversation with the HEDC group on the agreement that had expired. He said we will have more conversation in the Closed Session today.

(b) Production

None.

(c) Operations

i. Organizational Alignment - Information Only

Johnson presented a slide showing Hastings Utilities - Core Functions. He said that with the transition of the IT Department, Human Resources, and the Accounting and Finance Department to a city-wide accountability and responsibility, it causes us to reconsider our primary focus. Johnson highlighted what he feels are our core functions at Hastings Utilities. They are aligned into four categories: Administrative & Customer Service; Production; Operations; and Strategy & Development. Some departments have been shifted in who they report to. The Pollution Control Center and the Warehouse will report to Mike Hernandez. Engineering, the PPGA Accountants, Administrative Support, Facility Maintenance, and Equipment Maintenance will all report to Allen Meyer. All departments will continue to work together.

(d) Administration

i. Comparability Planning – Information Only

Johnson gave an update on Comparability Planning. He said that from the Utility perspective, most of our job descriptions have been revised in preparation of the comparability study which will be planned later this year.

(e) Other

i. Recommendation from Staff for Award of Contract for Water and Sewer Improvement Contract 2017-03 IC-10 – Action Item

Moved by Willis Hunt seconded by Shawn Hartmann to recommend approval to the City Council of a contract with Van Kirk Brothers Contracting of Sutton, Nebraska, for a Water and Sewer Improvement Contract for a total of $223,429.00. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

ii. Approval of DIP2018-1 Water and Sewer Improvement Contract for Lakeview 6th Addition - Action Item

Moved by Willis Hunt seconded by Shawn Hartmann to recommend approval to the City Council of DIP 2018-1 - Residential Development Incentive Agreement for Residential Water Distribution and Sanitary Sewer Systems with Westbrook Village, LLC for Lakeview 6th Addition. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt. Nays: None. Absent: Jack Schreiner, Joanne Seberg . The motion carried.

4. Possible Closed Session (if necessary or requested).

Moved by Shawn Hartmann seconded by Willis Hunt that this Board go into Closed Session, which Closed Session is clearly necessary for the protection of the public interest and for the prevention of needless injury to the reputation of an individual, which individual has not requested a public meeting, in order to discuss certain matters relating to personnel and that said Closed Session will consist of a strategy session relative to negotiations. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt. Nays: None. Absent: Jack Shreiner, Joanne Seberg. The motion carried.

The meeting closed to the public at 9:44 a.m.

Moved by Willis Hunt, seconded by Shawn Hartmann that the meeting be reopened to the public at 10:17 a.m., and that no decisions were made nor official actions taken during said Closed Session. Roll Call: Ayes; Shawn Hartmann, Bill Hitesman, Willis Hunt. Nays; None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

**ADJOURN:**

Moved by Willis Hunt, seconded by Shawn Hartmann there being no further business to adjourn the meeting at 10:17 a.m. Roll Call: Ayes; Bill Hitesman, Shawn Hartmann, Willis Hunt. Nays; None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

APPROVED:

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Board Secretary